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Briefing Report to the Chairmen,
Subcommittees on Defense, Senate and
House Committees on Appropriations

September 1992

1993 NAVY BUDGET

Potential Reductions in Weapons Procurement Programs



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National Security and
 International Affairs Division

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September 30, 1992

The Honorable Daniel K. Inouye
 Chairman, Subcommittee on Defense
 Committee on Appropriations
 United States Senate

The Honorable John P. Murtha
 Chairman, Subcommittee on Defense
 Committee on Appropriations
 House of Representatives

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 S E D

As requested, we reviewed the Navy's justification for its fiscal year 1993 weapons procurement budget request and prior year appropriations to identify areas for potential reductions and rescissions. We briefed your staffs in May and August 1992 on the preliminary results of our analysis.

We identified \$55.3 million in potential reductions to the fiscal year 1993 budget request and \$327.5 million in potential rescissions from appropriated funds for fiscal years 1991 and 1992. These potential reductions and rescissions are summarized in table 1 and are discussed in detail in appendix I.

Table 1: Potential Reductions and Rescissions to Navy Weapons Procurement Programs

| Program | Fiscal year | | | |
|--|---------------|----------------|-------------|----------------|
| | 1993 | 1992 | 1991 | Total |
| Standard Missile | \$0 | \$74.8 | \$0 | \$74.8 |
| Trident II (D-5) Missile | 0 | 82.4 | 0 | 82.4 |
| Advanced Medium Range Air-to-Air Missiles (AMRAAM) | 40.0 | 13.9 | 11.7 | 65.6 |
| AIM-9 Sidewinder Missile Modifications | 0 | 48.3 | 0 | 48.3 |
| Harpoon Missile Modifications | 15.3 | 19.3 | 0 | 34.6 |
| MK-48 Advance Capability Torpedo (ADCAP) | 0 | 45.0 | 0 | 45.0 |
| MK-48 (ADCAP) Torpedo Advanced Procurement | 0 | 16.7 | 0 | 16.7 |
| Drones and Decoys | 0 | 10.0 | 0 | 10.0 |
| Antisubmarine Warfare Targets | 0 | 5.4 | 0 | 5.4 |
| Total | \$55.3 | \$315.8 | 11.7 | \$382.8 |

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We also reviewed the Harpoon missile and the Weapons Industrial Facilities programs to report on funds that were not requested but were appropriated for those programs. We identified for potential rescission \$130.0 million in fiscal year 1992 funds for the Harpoon missile program and \$13.2 million in fiscal year 1992 funds for the Weapons Industrial Facilities program. These funds are being withheld by the Office of the Assistant Secretary of Defense, Comptroller, as part of the debate on how money should be spent for defense. (See app. II.)

In addition, there is another potential rescission of \$83.3 million from fiscal years 1990 through 1992 funds. The funds are being held in reserve by the Offices of the Secretary of Defense and Navy Comptrollers. This potential rescission is due to program funds that were either being held pending a program review decision or that were no longer needed for the purposes specified to fund the program. (See app. III.)

Scope and Methodology

We conducted our work at the Office of the Secretary of Defense; Headquarters, Department of the Navy; and program offices in the Washington, D.C., area. We interviewed budget and program officials and reviewed pertinent program documents and budget support data.

We analyzed data relating to actual contract costs, requirements, contract delays, and program status. In some cases, we relied on information supplied by program officials. We did not conduct a detailed review of each program's requirements.

We performed our review from February 1992 to July 1992 in accordance with generally accepted government auditing standards. We did not obtain written agency comments on this report. We did, however, discuss the contents of this report with responsible officials from the Office of the Secretary of Defense and the Navy and incorporated their comments where appropriate. With the exception of the AMRAAM program, as explained in appendix I, the officials generally agreed with the factual material presented in this report.

We are sending copies of this report to Chairmen of the Senate and House Committees on Armed Services and Appropriations; the Secretary of Defense and the Acting Secretary of the Navy; and the Director of the Office of Management and Budget. We will also make copies available to other interested parties upon request.

This report was prepared under the direction of Richard Davis, Director, Navy Issues, who may be reached on (202) 275-6504 if you or your staffs have any questions. Major contributors to this report are listed in appendix IV.

Frank C. Conahan

Frank C. Conahan
Assistant Comptroller General

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Abbreviations

| | |
|--------|---|
| ADCAP | Advanced Capability |
| AIM | Air Intercept Missile |
| AMRAAM | Advanced Medium Ranged Air-to-Air Missile |
| ASW | Antisubmarine Warfare |
| GAO | General Accounting Office |
| ITALD | Improved Tactical Air Launched Decoy |
| OSD | Office of the Secretary of Defense |
| SLAM | Standard Land Attack Missile |
| SM | Standard Missile |
| TALD | Tactical Air Launched Decoy |

Potential Reductions and Rescissions to Navy Weapons Procurement Programs

We reviewed the Weapons Procurement, Navy budget for fiscal years 1993, 1992, 1991, and 1990. We identified potential reductions and rescissions of \$382.8 million: reductions of \$55.3 million from the fiscal year 1993 budget request and rescissions of \$315.8 and \$11.7 million in appropriated funds for fiscal years 1992 and 1991, respectively. We did not find potential rescissions for fiscal year 1990. The following sections briefly describe the weapons programs we reviewed and the results of our analysis.

Standard Missile

The Standard Missile (SM) is a family of medium and extended range surface-to-air missiles designed to protect the fleet by intercepting antiship missiles and enemy aircraft in the outer battle area. It is the primary air defense missile employed on the Aegis and Tartar/Terrier New Threat Upgrade weapon systems. Over the years, overall performance has continually been improved through a number of related changes grouped into a unit or block, such as the SM-2 Block IV Aegis extended range variant.

Results of Analysis

The Office of the Assistant Secretary of Defense, Comptroller, is withholding \$74.8 million of fiscal year 1992 funds pending completion of the Block IV missile. Block IV development has not passed operational evaluation due to workmanship quality problems. The Navy Comptroller stated that even if the missile passed the operational evaluation, the contract could not be signed to obligate the funds before January 1993, when the current contract option will expire. The program manager concurred with the Comptroller representative and stated that the funds were excess to fiscal year 1992 requirements and would not be needed before late fiscal year 1993.

The \$74.8 million in fiscal year 1992 funds could be rescinded and appropriated in fiscal year 1993, if needed.

Status of Funds

Table I.1 shows the Standard Missile funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

Appendix I
Potential Reductions and Rescissions to Navy
Weapons Procurement Programs

Table I.1: Standard Missile's Fiscal Year 1993 Budget Request and Fiscal Years 1992, 1991, and 1990 Unobligated Funds
 As of July 17, 1992)

| | Dollars in millions | | | |
|---------------|---------------------|---------|---------|---------|
| | Fiscal year | | | |
| | 1993 | 1992 | 1991 | 1990 |
| Procurement | \$256.8 | \$257.1 | \$287.6 | \$390.1 |
| Obligated | 0 | (178.7) | (257.2) | (390.0) |
| Spares | | | | |
| Initial | 5.8 | 9.3 | 6.0 | 0 |
| Replenishment | 0 | 15.6 | 0 | 0 |
| Withholds | 0 | (74.8) | 0 | 0 |
| Balance | \$262.6 | \$28.5 | \$36.4 | \$0.1 |

Trident II (D-5) Missile

The Trident II (D-5) is a three-stage, solid propellant, inertially guided fleet ballistic missile. It is launched underwater from the Ohio class of nuclear propelled Trident submarines. Trident II began full-scale engineering development in October 1983 and attained initial operational capability in March 1990.

Results of Analysis

The Navy Comptroller is withholding \$82.4 million from this program pending program office review of the need for MK-5 re-entry body components for D-5 missiles. Since the Rocky Flats, Colorado, nuclear warheads plant was closed for environmental reasons, the Department of Energy cannot supply the nuclear section of the warhead. The program manager stated that he cannot obligate the funds remaining in the program until the warhead components become available. These funds, therefore, are excess to current program requirements. There is no change in the fiscal year 1993 program since funds for the re-entry body components were not requested.

A Navy official stated that the \$82.4 million in excess funds will be included in the omnibus reprogramming to help fund over \$200 million required for military personnel programs.

Should the reprogramming not be approved, these funds could be rescinded.

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Potential Reductions and Rescissions to Navy
Weapons Procurement Programs

Status of Funds

Table I.2 shows the Trident II missile funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

Table I.2: Trident II (D-5) Missile's Fiscal Year 1993 Budget Request and Fiscal Years 1992, 1991, and 1990 Unobligated Funds (As of July 17, 1992)

| | Dollars in millions | | | |
|---------------|---------------------|---------|-----------|-----------|
| | Fiscal year | | | |
| | 1993 | 1992 | 1991 | 1990 |
| Procurement | \$763.8 | \$977.4 | \$1,334.4 | \$1,174.6 |
| Obligated | 0 | (761.4) | (1,161.7) | (1,174.6) |
| Spares | | | | |
| Initial | 2.2 | 1.5 | 1.6 | 1.5 |
| Replenishment | .5 | .4 | .3 | .5 |
| Obligated | 0 | (1.9) | (1.9) | (2.0) |
| Withholds | 0 | (82.4) | 0 | 0 |
| Balance | \$766.5 | \$133.6 | \$172.7 | \$0 |

Advanced Medium Range Air-to-Air Missile

The Advanced Medium Range Air-to-Air Missile (AMRAAM) is the successor to the Sparrow missile and is being jointly procured by the Air Force and Navy. The missile is designed to provide an all-weather, all-aspect, beyond-visual-range air-to-air capability for use on the F-14, F-15, F-16, F/A-18, and North Atlantic Treaty Organization aircraft.

Results of Analysis

The Department of the Navy Comptroller is withholding \$13.9 million of fiscal year 1992 funds and \$11.7 million of fiscal year 1991 funds pending justification for the funds. On May 1, 1992, we reported¹ that funding for 71 of the 140 missiles requested by the Navy for fiscal year 1993 would not be needed because the missiles were scheduled to be delivered beyond that fiscal year's delivery period. In response to our report, Air Force officials stated that the contractors' production schedules were achievable because technology and production issues had been resolved. The contractors, however, have continued to fall far short of production schedules. Therefore, the total procurement cost of these 71 missiles—\$40.0 million, including hardware, fleet support costs, and spares—will not be necessary for fiscal year 1993 based on our analysis.

¹Missile Procurement (GAO/NSIAD-92-212R, May 1, 1992).

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The \$13.9 million of fiscal year 1992 funds and \$11.7 of fiscal year 1991 funds could be rescinded. In addition, \$40.0 million could be reduced from fiscal year 1993 funding and reappropriated consistent with the revised delivery schedules.

Status of Funds

Table I.3 shows the AMRAAM funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

Table I.3: AMRAAM's Fiscal Year 1993 Budget Request and Fiscal Years 1992, 1991, and 1990 Unobligated Funds (As of July 17, 1992)

| | Dollars in millions | Fiscal year | | | |
|-------------|---------------------|-------------|---------|--------|------|
| | | 1993 | 1992 | 1991 | 1990 |
| Procurement | \$137.5 | \$205.4 | \$271.5 | \$86.0 | |
| Obligated | 0 | (182.8) | (254.7) | (86.0) | |
| Withholds | 0 | (13.9) | (11.7) | 0 | |
| Balance | \$137.5 | \$8.7 | \$5.1 | \$0 | |

AIM-9 Sidewinder Modifications

The current Air Intercept Missile (AIM) or Sidewinder (AIM-9M) does not meet the Infra-Red Counter Counter-Measure threat according to Navy officials. The AIM-9M-8/9 and the AIM-9R modification programs provide the technology for an upgrade to the AIM-9M inventory.

Results of Analysis

The Navy Comptroller has an administrative hold \$48.3 million of fiscal year 1992 AIM-9R modification procurement funds made excess as a result of the Sidewinder AIM-9R retrofit program being deferred beyond fiscal year 1997. These funds have been identified as part of the fiscal year 1992 Omnibus Reprogramming. Should the reprogramming not be approved, the \$48.3 million could be rescinded.

The \$15.3 million in the fiscal year 1993 program is for the AIM-9M-8/9 modification.

Appendix I
Potential Reductions and Rescissions to Navy
Weapons Procurement Programs

Status of Funds

Table I.4 shows the AIM-9 Sidewinder Modifications funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

Table I.4: AIM-9 Sidewinder Missile Modification's Fiscal Year 1993 Budget Request and Fiscal Years 1992, 1991, and 1990 Unobligated Funds (As of July 17, 1992)

| | Dollars in millions | Fiscal year | | | |
|-------------|---------------------|-------------|-------|------|------|
| | | 1993 | 1992 | 1991 | 1990 |
| Procurement | \$15.3 | \$48.3 | \$4.2 | 0 | 0 |
| Obligated | 0 | 0 | (4.2) | 0 | 0 |
| Withholds | 0 | (48.3) | 0 | 0 | 0 |
| Balance | \$15.3 | \$0 | \$0 | 0 | 0 |

Harpoon Missile Modifications

The Harpoon missile modification program provides for continued replacement of the active guidance seekers with improved seekers, miscellaneous minor upgrades, and the Block 1D Harpoon kits for current missiles.

Results of Analysis

The fiscal year 1990 and 1991 programs funds have been obligated. The fiscal year 1992 program was budgeted for \$37.4 million, but the Defense and Navy Comptrollers have \$19.3 million on administrative hold. The Defense Comptroller is holding \$10.3 million pending congressional approval of the Omnibus Reprogramming action for transfer to other programs. The Navy Comptroller is withholding \$9.0 million—\$5.9 million for reprogramming to the Phoenix Modification program for installation of fuses and \$3.1 million to remain in the Harpoon line to purchase telemetry units for training. In addition, the Harpoon Block 1D upgrade was terminated because of the reduced Soviet threat. As such, \$15.3 million of the requested fiscal year 1993 funds will no longer be required.

Should the alternative use of these funds not be approved, the \$19.3 million of fiscal year 1992 funds could be rescinded. The \$15.3 million of fiscal year 1993 requested funds for the Block 1D upgrade may no longer be needed, and therefore, could be deducted from the fiscal year 1993 budget request.

Appendix I
Potential Reductions and Rescissions to Navy
Weapons Procurement Programs

Status of Funds

Table I.5 shows Harpoon Missile Modification funds requested for fiscal year 1993, the budget appropriation as adjusted for years 1990 through 1992, and the status of those funds.

**Table I.5: Harpoon Missile Modification's
Fiscal Year 1993 Budget Request and
Fiscal Years 1992, 1991, and 1990**

Unobligated Funds (As of July 17, 1992)

| | Dollars in millions | Fiscal year | | | |
|-------------|---------------------|-------------|--------|--------|------|
| | | 1993 | 1992 | 1991 | 1990 |
| Procurement | \$33.9 | \$37.4 | \$19.3 | \$12.8 | |
| Obligated | 0 | (18.1) | (19.3) | (12.8) | |
| Withholds | 0 | (19.3) | 0 | 0 | |
| Balance | \$33.9 | \$0 | \$0 | \$0 | |

MK-48 Advanced Capability Torpedo

The MK-48 advanced capability (ADCAP) torpedo was developed as an improvement to the MK-48 torpedo to counter enemy submarine threats through the 1990s. The MK-48 ADCAP includes improvements in the guidance and control systems and in the propulsion system, which will allow it to go faster, deeper, and farther than the current MK-48.

Results of Analysis

The MK-48 ADCAP is being procured from a single producer at its minimum sustaining production rate. The fiscal year 1992 program was funded for the second year of a 3-year multiyear contract. The Navy Comptroller has \$50.0 million of fiscal year 1992 funds on administrative hold as the result of contracts negotiated at lower-than-expected prices. Of these funds, however, \$5.0 million will be required by the program for contingent liabilities such as contract incentive fees. The net amount that could be rescinded is \$45.0 million.

Status of Funds

Table I.6 shows MK-48 ADCAP funds requested for fiscal year 1993, the budget appropriation as adjusted for years 1990 through 1992, and the status of those funds.

Appendix I
Potential Reductions and Rescissions to Navy
Weapons Procurement Programs

**Table I.6: MK-48 ADCAP Torpedo's
Fiscal Year 1993 Budget Request and
Fiscal Years 1992, 1991, and 1990
Unobligated Funds** (As of July 17, 1992)

| | Dollars in millions | | | |
|-------------|---------------------|---------------|---------------|--------------|
| | Fiscal year | | | |
| | 1993 | 1992 | 1991 | 1990 |
| Procurement | \$188.6 | \$219.0 | \$347.1 | \$437.8 |
| Obligated | 0 | (106.3) | (336.1) | 437.5 |
| Spares | | | | |
| Initial | 4.3 | 18.3 | 2.3 | 4.7 |
| Obligated | | | (2.3) | (4.7) |
| Withholds | 0 | (50.0) | 0 | 0 |
| Balance | \$192.9 | \$81.0 | \$11.0 | \$0.3 |

MK-48 Advanced Capability Torpedo Advance Procurement

The MK-48 advance procurement fund is used to purchase long lead time equipment for the MK-48 Advanced Capability Torpedo Advance Procurement program.

Results of Analysis

The Navy Comptroller has an administrative hold \$16.7 million of fiscal year 1992 advance procurement funds. These funds are excess to requirements due to contract savings and could be rescinded.

Status of Funds

Table I.7 shows MK-48 ADCAP advance procurement funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

**Table I.7: MK-48 ADCAP Torpedo
Advanced Procurement Fiscal Year 1993
Budget Request and Fiscal Years 1992,
1991, and 1990 Unobligated Balances**
(As of July 17, 1992)

| | Dollars in millions | | | |
|-------------|---------------------|---------------|-------------|-------------|
| | Fiscal year | | | |
| | 1993 | 1992 | 1991 | 1990 |
| Procurement | 0 | \$74.5 | 0 | 0 |
| Obligated | 0 | 0 | 0 | 0 |
| Withholds | 0 | (16.7) | 0 | 0 |
| Balance | 0 | \$57.8 | 0 | 0 |

Drones and Decoys

The Navy has a program to improve the ADM-141 Tactical Air Launched Decoy (TALD). TALD is an expendable unmanned aircraft of similar size to a 500-pound general purpose bomb. After launch from strike aircraft, it simulates manned aircraft. Its mission is to deceive and saturate hostile radar-controlled air defenses, thus enhancing strike aircraft survivability. The new program, known as the Improved Tactical Air Launched Decoy (ITALD), will add improved flight control and propulsion hardware.

The ITALD program plans to convert about 25 TALD decoys to the ITALD version for developmental test and evaluation in fiscal year 1993. In addition, TALD units will be similarly upgraded in fiscal year 1995 to support operational testing.

Results of Analysis

The Office of the Assistant Secretary of Defense, Comptroller, is holding \$10.0 million of fiscal year 1992 funds. The funds were appropriated for procurement of the ITALD units and would result in procurement in excess of the program's requirements for fiscal year 1992. These funds will not be needed before May 1993, if the ITALD receives final production approval. The remaining fiscal year 1990 funds are expected to be obligated by September 30, 1992.

Therefore, the \$10.0 million in fiscal year 1992 funds could be rescinded and appropriated in fiscal year 1993.

Status of Funds

Table I.8 shows the Drones and Decoys funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

Table I.8: Drones and Decoys' Fiscal Year 1993 Budget Request and Fiscal Years 1992, 1991, and 1990 Unobligated Balances (As of July 17, 1992)

| | Dollars in millions | Fiscal year | | | |
|-------------|---------------------|-------------|------|--------|------|
| | | 1993 | 1992 | 1991 | 1990 |
| Procurement | 0 | \$10.0 | 0 | \$25.0 | |
| Obligated | 0 | 0 | 0 | (1.5) | |
| Withholds | 0 | (10.0) | 0 | 0 | |
| Balance | 0 | \$0 | 0 | \$23.5 | |

Antisubmarine Warfare (ASW) Targets

The ASW Targets program was established to provide training exercise capability for torpedo firings and ASW detection and tracking. This program procures two types of ASW targets, the heavyweight MK-30 Mobile Target and the lightweight, portable MK-39 Expendable Mobile ASW Training Target.

The MK-30 Mobile Target provides air, surface, and submarine ASW units with the means to conduct realistic exercise firings on three-dimensional underwater ranges. This target provides the basic training capability to exercise surface ship and submarine sonars, actively and passively fired torpedoes, and aircraft equipped with sonobuoys and Magnetic Anomaly Detection gear. The MK-39 is a small, self-propelled underwater vehicle launchable from fixed wing and rotary wing ASW aircraft and ASW surface ships for the purpose of providing basic, open ocean sonar training.

Results of Analysis

The Navy Comptroller is deferring \$5.4 million of fiscal year 1992 funds. These funds are in excess of requirements because the three MK-30 targets that were to be purchased in fiscal year 1992 will not be purchased due to the cancellation of the fiscal year 1993 program. The purchasing of the three targets in fiscal year 1992 would not have been an economical order quantity. Therefore, the Naval Sea Systems Command Comptroller and Deputy Program Manager would like to reprogram these funds for other requirements, such as the auxiliary power unit, to support target services for fleet ASW readiness and training.

If the reprogramming is not approved, the \$5.4 million could be rescinded.

There is no change in MK-39 procurement.

Status of Funds

Table I.9 shows the ASW Targets funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

Appendix I
Potential Reductions and Rescissions to Navy
Weapons Procurement Programs

Table I.9: ASW targets' Fiscal Year 1993 Budget Request and Fiscal Years 1992, 1991, and 1990 Unobligated Funds (As of July 17, 1992)

| | Dollars in millions | Fiscal year | | | |
|-------------|---------------------|-------------|--------|--------|--------|
| | | 1993 | 1992 | 1991 | 1990 |
| Procurement | | \$26.2 | \$11.6 | \$26.4 | \$13.0 |
| Obligated | | 0 | (4.5) | (25.9) | (13.0) |
| Withholds | | 0 | (5.4) | 0 | 0 |
| Balance | | \$26.2 | \$1.7 | \$0.5 | \$0 |

Other Program Issues

We reviewed other Navy Weapons Procurement systems where funds were not requested by the program but were added by Congress. These funds are being withheld by the Office of the Assistant Secretary of Defense, Comptroller. The following section gives a brief description of the weapon systems we reviewed and the results of our analysis.

Harpoon Missile

The Harpoon is an air, surface, and submarine launched cruise missile that provides an attack capability against targets at sea and on land. It is compatible with the Tartar, Terrier, and Antisubmarine rocket ship launchers as well as with aircraft and submarine launch systems. The Standoff Land Attack Missile (SLAM) is the land attack variant of the Harpoon.

Results of Analysis

As a result of congressional action, \$130.0 million was added to the Harpoon/SLAM account in fiscal year 1992, pending an identification of requirement for the SLAM variant of the Harpoon. This money was not included in the program's budget or released to the program office. These funds are being withheld by the Office of the Assistant Secretary of Defense, Comptroller, as part of the debate on how money should be spent for defense, and DOD may propose the funds as a rescission candidate. The Deputy Program Manager stated that if the funds were released he would be able to procure more missiles.

The Harpoon/SLAM program is scheduled for completion with the last delivery of missiles by the first quarter of fiscal year 1994. The final year production contract was signed in fiscal year 1991. No procurement is requested in fiscal year 1993.

The Deputy Program Manager stated that fiscal year 1990 through 1992 program funds will be used to fund the remaining requirements of the program by September 30, 1992. The fiscal year 1992 program provides for procuring Harpoon test sets to support fleet training and production support necessary to sustain final SLAM deliveries.

Status of Funds

Table II.1 shows the Harpoon/SLAM funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

Table II.1: Harpoon Missile's Fiscal Year 1993 Budget Request and Fiscal Years 1992, 1991, and 1990 Unobligated Funds
(As of July 17, 1992)

| | Dollars in millions | Fiscal year | | | |
|----------------|---------------------|-------------|---------|---------|------|
| | | 1993 | 1992 | 1991 | 1990 |
| Procurement | 0 | \$167.2 | \$249.0 | \$212.1 | |
| Obligated | 0 | (9.0) | (236.8) | (211.0) | |
| Spares Initial | 0 | 0 | 2.2 | 0 | |
| Withholds | 0 | (130.0) | 0 | 0 | |
| Balance | 0 | \$28.2 | \$14.4 | \$1.1 | |

Weapons Industrial Facilities

The Weapons Industrial Facilities' fiscal year 1992 program and fiscal year 1993 request support nonrecurring capital maintenance costs at the Naval Industrial Reserve Ordnance Plants. These plants are government-owned missile and weapons-producing industrial facilities. These facilities support major weapon systems production—primarily missile and other ordnance systems—for all the military departments. The fiscal year 1992 program and fiscal year 1993 request include funding for environmental and emergency repairs, safety and fire protection, and energy conservation and capital maintenance repairs.

Results of Analysis

The Office of the Assistant Secretary of Defense, Comptroller determined that \$13.2 million of fiscal year 1992 funds are excess to requirements. These funds were added to the Weapons Industrial Facilities' appropriation by Congress to fund a long-term facility upgrade for the Allegheny Ballistics Laboratory in West Virginia. The Comptroller believes that the upgrade is not a priority item in view of other appropriation requirements and has offered these funds as a rescission candidate.

The fiscal years 1990 and 1991 funds have been obligated. The requested \$17.6 million of fiscal year 1992 funds will be obligated by September 30, 1992.

Status of Appropriated Funds

Table II.2 shows the Weapon Industrial Facilities funds requested for fiscal year 1993, the budget appropriation as adjusted for fiscal years 1990 through 1992, and the status of those funds.

Appendix II
Other Program Issues

**Table II.2: Weapons Industrial Facilities'
Fiscal Year 1993 Budget Request and
Fiscal Years 1992, 1991, and 1990
Unobligated Funds (As of July 17, 1992)**

| | Dollars in millions | | | |
|-------------|---------------------|--------|--------|--------|
| | Fiscal year | | | |
| | 1993 | 1992 | 1991 | 1990 |
| Procurement | \$29.0 | \$30.8 | \$30.9 | \$14.7 |
| Obligated | 0 | (17.4) | (30.9) | (14.7) |
| Withholds | 0 | (13.2) | 0 | 0 |
| Balance | \$29.0 | \$0.2 | \$0 | \$0 |

Additional Weapons Procurement, Navy Funds Proposed for Potential Rescission (As of July 17, 1992)

Defense and Navy Comptrollers stated that they are withholding funds appropriated for the following program activities as possible reprogramming or rescission sources. The program officers reported these funds as excess to program activity requirements due to contract savings, overbudgeting, or program activity changes. With the exception of the Phoenix Modification Program, we did not discuss these excess funds with the program managers.

Dollars in millions

Fiscal year 1992 program activity

| | OSD | Navy | OSD/Navy notes |
|---|-----------------|----------------|--------------------------------|
| Quickstrike Mines | 0 | 2,568 | Pending review of requirement |
| Small Arms and Weapons | \$11,600 | 0 | Proposed rescission candidate |
| Modifications under \$2 million | 0 | 1,389 | Excess funds for reprogramming |
| Rockeye planned installation procedures | 4,000 | 0 | Proposed rescission candidate |
| Subtotal | \$15,600 | \$3,957 | |

Fiscal year 1991 program activity

| | | | |
|-----------------------|-----------------------|----------------|-------------------------------|
| Phoenix Modifications | \$60,000 ^a | 0 | Proposed rescission candidate |
| MK-50 Torpedo | 0 | \$1,900 | Contract savings |
| Subtotal | \$60,000 | \$1,900 | |

Fiscal year 1990 program activity

| | | | |
|-----------------|-------------------|-------------------------|------------------------|
| Sea Lance | \$1,799 | 0 | Excess to requirements |
| Subtotal | \$1,799 | 0 | |
| Total | \$77,399 + | \$5,857 = \$83.3 | |

^aNavy Budget: Potential Reductions in Weapons Procurement (GAO/NSIAD-91-301BR, Sept. 25, 1991).

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